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Chairman: Mr. SENGWE (Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.05 a.m.

TRIBUTE TO THE MEMORY OF DENG XIAOPING, LEADER OF THE CHINESE PEOPLE, AND SYED AMJAD ALI, MEMBER EMERITUS OF THE COMMITTEE ON CONTRIBUTIONS

1. At the invitation of the Chairman, the members of the Committee observed a minute of silence.

ORGANIZATION OF WORK (A/C.5/51/L.41/Rev.1 and L.42/Rev.1)

2. The CHAIRMAN said that the proposed programme of work of the Fifth Committee for the first part of the resumed session was contained in document A/C.5/51/L.42/Rev.1. He drew attention to the letter from the President of the General Assembly to the Chairman of the Fifth Committee (A/C.5/51/5/Add.1), informing him of the Assembly's decision to allocate to the Committee an additional item, entitled "Financing of the Military Observer Group of the United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala" (agenda item 165).

3. He reminded members that, in its resolutions 51/214 and 51/215 concerning the financing of the international tribunals for the former Yugoslavia and Rwanda respectively, the General Assembly had decided to revert to the consideration of the financing of the tribunals for the year 1997 at the first part of its resumed fifty-first session on the basis of the revised budget proposals to be submitted by the Secretary-General and the report of the Office of Internal Oversight Services. Since no budget proposal had yet been submitted by the Secretary-General, he proposed that the Committee should postpone the consideration of those items to the second part of the resumed session.

4. It was so decided.

5. The CHAIRMAN said that, with regard to the question of the strengthening of oversight bodies, in resolution 50/214, section III, paragraph 2, the General Assembly had decided to consider at its resumed fiftieth session the modalities of the strengthening of the external oversight mechanisms decided upon in decision 47/454 of 23 December 1992. Subsequently, in its decision 50/503, the General Assembly had decided to defer consideration of the relevant reports on the question to its fifty-first session.

6. Ms. RODRIGUEZ (Cuba) said that, in the view of her delegation, more time was needed for a thorough discussion of the reports of the Office of Internal Oversight Services (OIOS) currently before the Committee. It was also unclear why some of the reports of OIOS should be considered under the item relating to the programme budget. With regard to follow-up to General Assembly resolutions, in its resolution 51/221, paragraph 12, the General Assembly had requested the Secretary-General to submit a report on redeployment for consideration at its resumed session, but no such report was to be found in the list of documentation. Furthermore, in paragraph 20 of that resolution, a report on

programme execution had been requested by 1 March 1997, and she inquired when it would be available.

7. With regard to follow-up to resolution 51/214, her delegation would like to receive information from the Under-Secretary-General for Administration and Management on the status of the additional posts and whether they were part of a negotiating process, and on the situation regarding office accommodation and parking.

8. Lastly, she asked whether any progress had been made towards the appointment of a deputy to the Secretary of the Committee.

9. Mr. MARRERO (United States of America) said that, with regard to the strengthening of external oversight bodies, a proposal had been made regarding the enlargement of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in the Open-ended High-level Working Group on the Strengthening of the United Nations System. Since there had been wide interest in that idea, his delegation intended to hold informal consultations during the resumed session and then to make a formal proposal.

10. The CHAIRMAN said, in reply to representatives of Cuba, that a deputy to the Committee Secretary had been appointed.

11. Ms. PEÑA (Mexico) said that no information had been provided regarding budget performance for the biennium 1994-1995, and since the matter had not been deferred, she would like to know when the Committee would deal with it. The report of the Committee for Programme and Coordination was currently in the form of a working paper, and she asked when the Committee could expect its formal report. Furthermore, the list of documentation did not indicate any additional reports on the subject of improving the financial situation of the Organization, which would have been welcome.

12. With regard to the enlargement of ACABQ, her delegation believed that the strengthening of such oversight mechanisms must be across the board and not selective.

13. Mr. SULAIMAN (Syrian Arab Republic) said that it must be borne in mind that reports of the Office of Internal Oversight Services were to be considered in the Fifth Committee strictly from the financial and budgetary perspective. With regard to gratis personnel, the two meetings allocated for the general discussion seemed inadequate because of the special significance of that issue; at least one additional meeting should be provided. With regard to the United Nations Disengagement Observer Force (UNDOF), he would like to know when the report on settlement of disputes would come before the Committee.

14. Ms. GOICOCHEA (Cuba) said that her delegation agreed that additional time should be allocated for the discussion of gratis personnel. The Fifth Committee had also intended to examine the restructuring of the Centre for Human Rights from a budgetary standpoint, but it did not appear on the programme of work for the resumed session, and she would like to learn whether the Committee would take up that item during the fifty-first session. She agreed with the representative of Mexico that, because of the importance of the subject, reports

on the financial situation of the Organization should be issued as soon as possible. Her delegation agreed that all oversight bodies must be reviewed at the same time in order to determine the priorities for their strengthening. It would also like to learn the current status of the Efficiency Board, as General Assembly resolution 51/221 had called for an intergovernmental analysis of that body.

15. Mr. ZULKIFLI (Malaysia) supported the proposal to allocate additional time to the question of gratis personnel and agreed with Cuba that the strengthening of oversight bodies should be across the board and not selective. It should be remembered that increasing the number of members also increased costs.

16. Mr. MOKTEFI (Algeria) endorsed the comments of the representative of Cuba.

17. The CHAIRMAN said that he had taken note of members' comments and would consult with the Bureau and report its views at a subsequent meeting. He would take it that the Committee wished to proceed according to the proposed programme of work as contained in document A/C.5/51/L.42/Rev.1 with the deletion of agenda items 137 and 139, and taking into account suggestions from members.

18. It was so decided.

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Eighth progress report on the Integrated Management Information System (A/51/7/Add.4; A/C.5/51/23)

19. Mr. CONNOR (Under-Secretary-General for Administration and Management), introducing the eighth progress report of the Secretary-General on the Integrated Management Information System (IMIS) project (A/C.5/51/23), said that IMIS had been conceived to replace current administrative systems, many of which were more than 30 years old, and to provide all major duty stations with a modern system of management information.

20. Because of the complexity of IMIS and the broad range of activities which it covered, many difficulties had to be overcome, including system errors, bad data in pre-existing systems and the difficulties inherent in the need for hundreds of staff to change completely the way in which they had been working for many years and to learn the new concepts and procedures introduced with the new system. Those difficulties, however, should not hide the fact that the system generally worked satisfactorily and that the integration between the various applications had been successful. Duty stations in which the system had been implemented, including Bangkok and Vienna, had found it to be both practical and effective and it was expected that all other duty stations would be equipped with the system by the end of 1997. In his ninth progress report the Secretary-General would provide information on the results of efforts to resolve the remaining problems.

21. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the fifth report of the Advisory Committee on the Integrated Management Information System project (A/51/7/Add.4), recommended that the Fifth Committee should take note of the report of the Secretary-General

contained in document A/C.5/51/23 and endorse the Advisory Committee's observations and recommendations thereon.

22. Ms. SHENWICK (United States of America) asked when the issues raised in the Advisory Committee's report concerning the implementation of IMIS would be addressed.

23. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that those issues would be addressed in the ninth progress report, which would normally be completed in the fall in time for the fifty-second session of the General Assembly.

24. Mr. SCOTTI (France) drew the Committee's attention to the fact that the Executive Board of the United Nations Children's Fund (UNICEF) would be meeting shortly to consider whether IMIS or some other information management system should be implemented at UNICEF. It might therefore be advisable for the Committee to await the decision of UNICEF before taking any action on the matter.

25. Mr. MOKTEFI (Algeria) said that, while his delegation was not opposed to the suggestion that the Committee should take note of the Secretary-General's report, it remained concerned about the scope of the problems still affecting the implementation of IMIS at Headquarters.

26. Ms. SHENWICK (United States of America), supported by Ms. INCERA (Costa Rica), said that, in the light of the comments made by various delegations, and particularly by the delegation of France, it might be useful to hold a brief informal meeting to clarify issues that still caused concern and to provide guidance for the preparation of the ninth progress report.

27. The CHAIRMAN suggested that informal consultations on the matter should be held under the chairmanship of the Rapporteur.

28. It was so decided.

AGENDA ITEM 115: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued)

29. Mr. CONNOR (Under-Secretary-General for Administration and Management), reporting on the current financial situation of the Organization, said that, since 1994, there had been zero nominal growth in the appropriation level for the regular budget and appropriations for the biennium 1996-1997 were actually $5 million less than for the biennium 1994-1995. The proposed budget outline for 1998-1999 at revised 1996-1997 rates represented a further reduction in real resources of $123 million. Detailed information on the financial situation was presented in a series of charts which he had made available to members of the Committee.

30. After peaking in the period 1993-1995, assessments for the peacekeeping budget had declined in 1996 and again in 1997. One consequence of that decline would be that future cash inflows would also be lower. It was therefore all the more imperative to collect unpaid assessed contributions. He noted, in that

connection, that payments had slightly outpaced assessments for the regular budget in 1996.

31. Regular budget arrears had declined by $53 million from 1995 to 1996. Over the same period, the number of fully paid-up Member States had risen from 94 to 98, while the number of Member States making no regular budget payments had declined from 22 to 12 and the number of those owing more than the current year's assessment at the end of the year had fallen from 71 to 61.

32. There had been two contradictory trends with respect to peacekeeping arrears. The arrears of the United States of America had increased by $110 million from 1995 to 1996, while the arrears of all other Member States had declined by $202 million. Unlike in 1995, peacekeeping payments had slightly outstripped assessments in 1996. Nevertheless, as at 31 December 1996, the level of outstanding peacekeeping assessments was 116 per cent of the level of peacekeeping activity.

33. Payments by the United States of its arrearage on assessed contributions for both the regular and peacekeeping budgets had been late and partial. Taken as a percentage of the aggregate unpaid assessments for both the regular and peacekeeping budgets, the share of the United States was sixty per cent in 1996, a level previously attained only in 1990. The concentrated run-up in unpaid assessments had been further compounded by the fact that payments were not predictable.

34. Turning to the cash flow for the combined General Fund for the period 1991-1996, he drew attention to a recent shift in the pattern of cash balances. The small negative balances usually recorded around September of each of the first four years of the period under review had ballooned in 1995 to a negative cash balance of $200 million during the same period in 1995 and to more than $300 million in 1996.

35. The year 1997 had started on a brighter note, however, with 28 Member States having paid their regular budget contributions in full by 31 January and a further 11 States doing so in February. In addition, 15 States had made partial payments on their regular budget contributions during the first two months of the year. Despite those payments, however, a return to a negative cash flow, peaking in November at approximately $350 million, was forecast for later in the year. Because the Organization had no capital or reserves and was dependent on assessed contributions, an imprudent financial circle was created by the late payment of regular budget assessments. Late payments resulted in negative regular budget cash flows and thus the need to borrow from the peacekeeping account and the consequent inability to pay peacekeeping obligations. To complete that circle, therefore, Member States were required to finance peacekeeping obligations to compensate for the late payment of assessments.

36. As at 31 December 1996, the Organization owed over $850 million for troops and contingent-owned equipment, an amount lower than the corresponding total for 1995 but higher than the total for 1994.

37. In conclusion, he would describe the financial health of the Organization as not good but less bad than the previous year. It had managed to hang on for one more year.

38. Ms. SHENWICK (United States of America), referring to chart no. 4, recalled that the General Assembly had increased the appropriations for 1994-1995 in the context of the revised estimates by approximately $22 million. The end-year total for 1995 should therefore be $2,630 million and not $2,608 million.

39. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that the figures just given by the representative of the United States were correct. As a practical matter, however, the Secretariat only compared appropriations for the full budget. An account of the amounts added on and subtracted over the year would be made available at a later stage.

40. Mr. NOUR (Egypt) said that Egypt did not appear in the list of Member States whose regular budget contributions for 1997 had been received in full by 31 January 1997. His Government had paid its assessed contributions on 2 January 1997. He requested the Secretariat to issue a revised list in an official document.

41. Mr. SIAL (Pakistan) said that the charts circulated by the Under-Secretary-General should be accompanied by figures. His delegation also wished to point out that Pakistan had paid its assessed contributions on time, but did not appear among the countries listed as having done so.

42. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that Pakistan had indeed paid its assessed contributions, but the money had been received after the list had been compiled. Egypt had paid its contributions in local currency. Those funds were still clearing and had not yet been officially received.

43. Mr. SCOTTI (France) was grateful for the information on the amounts owed by Member States to the Organization, but in future his delegation would like to see figures as well as charts.

44. Mr. RIVA (Argentina) said that it was important that senior officials of the United Nations should make public statements about the Organization's financial situation. His Government was concerned that Argentina did not appear among those countries to which the Organization owed significant amounts for troop contributions and contingent-owned equipment. The total amount currently owed to Argentina was $20 million.

45. Ms. PEÑA (Mexico) said that oral reports, although informative, were no substitute for official written reports to the General Assembly. Her delegation was concerned that, despite the easing of the cash-flow situation, Member States that were owed money for troop contributions and contingent-owned equipment would still not be reimbursed promptly.

46. Mr. GREIVER (Uruguay) asked for further information about the prospects for reimbursement of troop and equipment costs in 1997.

47. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that, in the circumstances, the Organization would do well to hold troop and equipment debt to the current level. Without major payments of arrears, that was the most he could forecast. An effort would naturally be made to pay off old debts, but he envisaged no significant relief.

48. Mr. HANSON (Canada) said that his delegation wished to express its disquiet at the recourse to internal borrowing in order to fund peacekeeping operations. His Government was also concerned about the apparent high level of debt in respect of contingent-owned equipment compared to troop-related debt.

49. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that the Secretariat had experienced considerable problems in agreeing the value of troops and equipment with Member States. Although the Organization tried to be even-handed, it tended to favour reimbursing troop debts before equipment debts. That was due to the greater complexity of claims for contingent-owned equipment.

AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/50/945; A/51/7/Add.3; A/C.5/51/9*)

50. Mr. SEVAN (Assistant Secretary-General for Conference and Support Services) said that internal and external auditors were about to start auditing his Office's procurement activities, and he would urge the external auditors to evaluate the revised procurement procedures and their implementation as well as the performance of the Procurement and Transportation Division.

51. He wished to thank all Member States for their keen interest in the expeditious reform of the United Nations procurement system. The Office of Conference and Support Services took Member States' recommendations and directives very seriously and had acted upon them, just as it had taken necessary action on the recommendations made by the Advisory Committee on Administrative and Budgetary Questions, the external auditors, and the Office of Internal Oversight Services and its internal auditors.

52. He drew delegations' attention to an error that had inadvertently crept into annex I of the report of the Secretary-General (A/C.5/51/9*) concerning the recommendations of the Group of Experts and the actions taken thereon by the Secretariat. Entry 6 of annex I should read: "Abolition of local committees on contracts". That recommendation had not, in fact, been accepted and the committees in question were actually being strengthened.

53. Although there had been differences of opinion, he was sure that real progress had been made. The efforts to restructure the Procurement and Transportation Division had been particularly encouraging. Revised policy guidelines and new procedures for the Headquarters Committee on Contracts had been promulgated. The final draft of the procurement manual would be ready for publication in April 1997. Over half of the existing manual had been revised in one form or another, and most of the revised provisions, although not yet issued, were being implemented throughout the United Nations procurement system.

54. There had been a significant decline in the number of exceptions to the type of competitive bidding authorized under financial rule 110.19. The number of such cases had decreased from 344 in 1994 to 159 in 1996; the respective dollar value had gone down from about $470 million to about $95 million. Moreover, as requested by the Advisory Committee in paragraph 13 of its report, and as called for in General Assembly resolution 49/216 C, his Office was currently giving sharper definition to the concept of exigency needs. The number of ex post facto cases had also declined from 204 in 1995 to 99 in 1996. Also, partial post facto cases had gone down from 296 cases in 1995 to 127 in 1996.

55. Considerable progress had been made in vetting and updating, as well as broadening the base of the Supplier Roster. Registered suppliers hailed from 63 Member and Observer States. Of the 1,831 formally registered suppliers, his Office had procured from 353. Of the 680 provisionally registered suppliers, his Office had procured from 384. More and more authority had been delegated to field offices, but information about their procurement activities was not filtering back to Headquarters. The pattern of procurement in the field would naturally differ from the picture at Headquarters.

56. Efforts had been made to address the question of delegation of procurement authority with full accountability. His Office was monitoring the situation carefully and intended to evaluate improvements in the process resulting from the granting of signing authority to individual procurement officers.

57. With respect to the views of the Advisory Committee contained in paragraph 20 of its report concerning four officers seconded by their Governments at no cost to the Organization, it was important to wait until the General Assembly had discussed the whole question of seconded personnel and to be guided by its decisions. In the meantime, however, he wished to state that no seconded officer had ever performed actions which could be construed as giving rise to a conflict of interest.

58. It was one thing to establish policy and procedures, but quite another to implement them. Good progress had been made in the policy and procedural aspects of the procurement reform, but much work still needed to be done in order to fully implement the procedures involved. It was especially important to be consistent in the application of new procedures. A major difficulty was that the Procurement and Transportation Division did not have full control of the whole procurement process. There was too much involvement by the requisitioning departments and offices, not only in terms of providing lists of suppliers, but also in influencing which way decisions would go. His Office was addressing those questions, but until and unless the Procurement and Transportation Division was provided with the necessary resources and expertise, those efforts would be doomed to failure.

59. There was an unfortunate tendency to consider staff resources for the Procurement and Transportation Division separately, without taking fully into account the magnitude and complexity of their work. While it might be possible to save $100,000 or $200,000 by cutting down on staff resources and providing temporary instead of regular budget posts, millions of dollars might be saved if the Division were to be given the appropriate level of staff resources.

60. His Office had repeatedly requested the upgrading of the D-1 post to the D-2 level in order to attract a competent manager. There had been continuous and inconclusive discussions on the matter which had ultimately cost far more than the few hundred dollars necessary to upgrade the post. He hoped that the General Assembly would finally come to a decision during the current session. It had also been impossible to attract qualified personnel to the Division because of the temporary status of most of the posts.

61. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Committee welcomed the action the Secretariat had taken to start the process of reforming the procurement system of the United Nations. However, as indicated in the Committee's report, the measures had not been as comprehensive as expected. Furthermore, they were introduced late in 1996 and it was therefore too early to evaluate their impact. In paragraph 5 of its report, the Committee had indicated that little had been done to integrate procurement at Headquarters, nor was it clear to what extent reforms had been undertaken to enhance cooperation by taking advantage of economies of scale with other United Nations entities such as funds and programmes located at the same duty station. The Committee had recommended that urgent steps should be taken to initiate the review which it had requested and that the General Assembly should be informed of the outcome. With respect to revised delegation of purchasing authority under the terms of financial rule 110.16, the Advisory Committee had recommended that the steps taken thus far by the Secretariat should be monitored carefully and reviewed after six to eight months to evaluate any improvements resulting from granting signing authority to individual procurement officers. On the question of 'systems contract' arrangements, the Committee had endorsed the view of the Secretary-General that greater vigilance was needed to monitor vendor performance and to perform more effectively the function of contract administration.

62. Regarding the Supplier Roster, the Committee had requested that the criteria for evaluating suppliers should be refined and that the roster base should be broadened. Reference was made to the very narrow geographical base of suppliers. The Committee had called for more resources to enable staff to travel to other locations for the purpose of expanding the supplier base. In paragraph 15, the Committee deprecated the practice of requisitioners recommending suppliers, which should be discontinued immediately.

63. Regarding the use of brokers in the procurement process, the Committee had suggested that some of the risks involved could be obviated by revising and expanding the vendor database and leaving the option to use brokers to very exceptional circumstances which should be recorded in each case. On the question of ex post facto approval by the Committee on Contracts and the so-called exigency or immediate operational requirement, the Committee had taken note of the Secretariat's actions to date. However, the Committee reiterated that, as the Board of Auditors had recommended, exigency needed to be defined more clearly. That recommendation had been endorsed by the General Assembly in its resolution 49/216 C. The same resolution had called for proposals to amend the relevant financial regulations and rules where appropriate.

64. Regarding the question of staff resources, the Committee was of the view that positions in the procurement services should not be left vacant while

gratis personnel were being employed at the same time. The Committee considered such an approach to be unacceptable and corrective measures should be taken to ensure that it did not happen again. It pointed out that there was a serious potential conflict of interest, especially since gratis officers were not staff members of the United Nations and therefore were not answerable under the regulations and rules of the Organization. In that connection, the Committee had recommended that the vacant posts in the procurement service should be filled as soon as possible.

65. Procurement reform should be given top priority in the United Nations and its funds and programmes and the Board of Auditors should focus on evaluating the adequacy of the measures taken by the Secretariat in line with the Board's own recommendations and those of the Advisory Committee and the General Assembly.

66. Mr. KRISHNAMACHARI (Office of Internal Oversight Services) said that, in accordance with General Assembly resolution 48/218 B, the Office of Internal Oversight Services (OIOS) was expected to submit reports that provided insight into the effective utilization and management of resources and the protection of assets. In fulfilling that expectation, the Office had identified certain priority areas, of which procurement was one.

67. The report of the Secretary-General on the activities of OIOS was the outcome of a comprehensive audit of procurement for technical cooperation projects handled by the Contracts and Procurement Service of the Department for Development Support and Management Services. The audit covered a sample check of 26 major procurement actions involving $5.78 million. In the context of the Department's annual expenditure on procurement, that represented significant coverage and the audit findings were representative and material.

68. The audit had addressed a number of critical aspects of procurement and contracting, including the manner in which specifications were drawn up and the confidentiality of the bidding process was assured, transparency in the acceptance of bids, implementation of the policy to increase representation of firms from developing countries in bidding, propriety and economy in procurement and contracting, and proper maintenance of vendor files for effective performance reviews.

69. The extent of breaches of basic control procedures noted and other issues raised during the audit indicated a need to strengthen the procurement process. As observed by the Joint Inspection Unit, the report was a relevant response by OIOS to the growing desire of Member States to ensure transparency in the procurement process.

70. OIOS expected that, as a result of the audit and its follow-up, the Department would strengthen planning, monitoring and control of its procurement process and thereby enhance the integrity of the process, diversify sources of procurement and improve cost-effectiveness. OIOS had been assured that the Department had taken the necessary steps.

71. Section D of part II of the report dealt with purchases that were being made from certain procurement agencies with poor or non-existent credit

appraisal rating, thereby exposing the Organization to serious risks. Since that category included purchases made by the Purchase and Transportation Division of the Office of Conference and Support Services, corrective action was to be taken by that Office also, as indicated in paragraph 27 of the report. In that connection, it had been noted from paragraph 12 of the Advisory Committee's report of 4 December 1996 (A/51/7/Add.3) that the Committee had been informed that there was some merit in utilizing agents and brokers in certain cases where goods and services were not readily available or had different and varied specifications, provided that the broker's credentials were thoroughly checked and no risk to the Organization was involved. However, as the Committee had observed, such brokers should be employed in very exceptional circumstances, and the reasons for their employment should be recorded in each case.

72. Mr. MENKVELD (Netherlands), speaking on behalf of the European Union, and the associate countries of the Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, and, in addition, Norway, took note of the Secretary-General's report of substantial progress in the implementation of reform measures and in achieving an efficient, responsive and transparent procurement process. Much work had been done to make it possible to procure goods and services in a more expeditious and cost-effective way. The planned improvements were, however, not yet very visible in the day-to-day conduct of procurement activities within the Secretariat. Comparison with the work of procurement units in other international organizations would make it clear that the implementation of reform in practical terms still left much to be desired. The European Union noted with great concern that certain measures directed at integrating and coordinating United Nations procurement activities were still pending.

73. The findings of the recent audit and investigation by the Office of Internal Oversight Services of the International Criminal Tribunal for Rwanda underlined the importance of the Advisory Committee's recommendation that all Headquarters procurement activities should be integrated and coordinated as much as possible with those of the United Nations Office for Project Services (UNOPS) and other entities. The findings of OIOS underlined the importance of that recommendation. The European Union concurred with the Advisory Committee that immediate steps should be taken within a specified time-frame, and remained extremely concerned that no progress had apparently been made so far. He urged the Secretary-General to complete his review and to communicate the outcome to the General Assembly no later than the mid-point of the next part of its resumed session. Preliminary information could already be given on progress achieved since the issuance of the Secretary-General's report in November 1996. His delegation would also welcome information regarding the results achieved so far following the division of the Commodity Procurement Section of the Procurement and Transportation Division into two separate sections.

74. The European Union welcomed the revised policy guidelines and procedures for the Headquarters Committee on Contracts, and the updating of the threshold amounts for the delegation of procurement authority. It also endorsed the view of the Secretary-General that the recommendation of the Expert Group to abolish local committees on contracts should not be accepted. He noted that in the latest report, the recommendation of the Expert Group had been altered, referring to review and strengthening of local committees on contracts, rather

than their abolition. He also noted the revised system of individual delegated purchasing authority. Monitoring and, in due course, evaluation of the revised system would be called for. The Supplier Roster had been vetted and updated, and the procedures for supplier pre-qualification and registration had been revised. Those developments were welcome, but much remained to be done. Establishing an active and viable roster reflecting a reasonable geographical distribution of suppliers should be given the highest priority. Statistical information should also be provided showing how many times each supplier on the roster had been invited to bid.

75. Although open and transparent procurement added to the up-front costs of procurement, the European Union strongly preferred open tenders and hence open access to procurement information in as wide as possible a geographical area. Overall, that would not lead to higher costs; indeed it should reduce them. Greater use should be made of publications financed by subscriptions from potential suppliers; that was standard practice in other organizations for announcing upcoming procurement opportunities. He wondered why greater use was not made of the Internet and of "Procurement Update", which was published by the Inter-Agency Procurement Services Office.

76. Increasing the number of registered suppliers and making more use of advertising would lead to more transparency and make the Organization less vulnerable to criticism that too much procurement came from too few Member States. According to information provided by the Secretariat, almost 50 per cent of all procurement handled by the Secretariat in New York in 1994-1995 had gone to United States companies. While it was not unnatural for the host country to have a certain advantage when it came to procurement opportunities, the figures indicated serious deficiencies in the operation of the procurement system. Also, periodic comprehensive information on contracts awarded, on a country-by-country basis, would be a useful tool for enhancing accountability.

77. The European Union supported the introduction of an arrangement whereby, among equally qualified suppliers, preference should be given in the award of contracts for the procurement of goods and services to suppliers from Member States which were current with their payment of assessed contributions.

78. Procurement had been identified by OIOS as a priority area for oversight. The Secretary-General's report welcomed a number of recommendations which would enhance the overall efficiency of procurement operations, and should eliminate procurement actions which were not in accordance with regulations. He urged the Secretary-General to ensure compliance with regulations and, if necessary, to hold individual staff members responsible for their actions or failure to act.

79. The European Union took note of the efforts to reduce the number of ex post facto cases referred to the Headquarters Committee on Contracts. Although such cases could not be eliminated altogether, there seemed to be ample scope for further improvements. Furthermore, when exceptional circumstances arose resulting in the withdrawal of an invitation to tender, appropriate information should be supplied to those affected.

80. His delegation reiterated its support for requests for the classification of the post of Director of the Procurement and Transportation Division at the D-2 level. If the overall objective of harmonizing procurement throughout the system was to be realized, there was a clear need for fresh expertise at the D-2 level to direct operations. He also supported the recommendation of the Advisory Committee that vacant procurement-related posts should be filled as soon as possible. The Secretary-General should also take into account developments in the overall level of activity, measured in financial terms and in the number of contracts, as well as the effects of system contracts, which should reduce the workload. He expected that the recent decrease in the overall level of activity, as well as realistic assumptions about the near future, would be taken into account in the budget proposals for the biennium 1998-1999.

81. In conclusion, he welcomed the apparently substantial progress made regarding procurement reform as outlined in the report of the Secretary-General, and expressed confidence that outstanding issues would be addressed expeditiously. Serious attention should be given to having the process managed by staff able to deliver what should be expected from a professional procurement unit. The next report on procurement reform should contain more practical information on progress or the lack thereof.

82. Mr. LOZINSKI (Russian Federation) welcomed the efforts of the Secretary-General in the area of procurement reform and hoped that tangible results would soon be achieved. His delegation supported the conclusions contained in the Advisory Committee's report on the subject (A/51/7/Add.3). It was to be hoped that the reform process would soon be concluded; a report giving a full picture of procurement activities was essential for success. In the absence of comprehensive information, it was difficult for the Committee to properly assess the effectiveness of measures. His delegation awaited with interest the next report of the Board of Auditors, referred to in paragraph 22 of the report of the Advisory Committee.

83. He welcomed the measures to reform the Procurement and Transportation Division, as described in the report of the Secretary-General. Careful consideration should be given to the possibility of combining different units dealing with procurement into a single transparent structure. Solving such issues would be crucial to successful reform of the procurement process.

84. His delegation supported the recommendation of the Advisory Committee concerning the delegation of purchasing authority, as contained in paragraph 9 of its report. As to the question of the Supplier Roster, the goal of expanding the number of suppliers and providing for the broadest possible geographical distribution had yet to be achieved; tangible progress was needed in that area. His delegation would also welcome the views of the Secretariat concerning the percentage of brokers who were registered as suppliers for the United Nations.

85. Regarding ex post facto cases, his delegation agreed with the conclusions contained in paragraphs 16 to 18 of the Advisory Committee's report, and looked forward to a fuller implementation of General Assembly resolution 49/216 C. While his delegation understood the difficulties of procurement planning, particularly in the rapidly changing and unpredictable conditions associated with peacekeeping operations, he hoped that progress could be achieved in that

area. As for the issue of human resources in the area of procurement, the workload of the personnel concerned was a key issue; his delegation would welcome more complete information, particularly regarding the volume of goods and services procured directly by the Procurement and Transportation Division in 1996, as compared with previous years. The tables contained in the documents before the Committee were not always comparable to those in previous reports, which made it more difficult for the Committee to analyse the information. The Secretariat should provide updated information, on the basis of comparison with 1996 figures, concerning the cost of procurement relative to the number of staff, and should include such information in subsequent reports.

86. His delegation was deeply concerned at the report of OIOS contained in the annex to document A/50/945; a number of important issues had been raised, and must be seriously addressed. He looked forward to a comprehensive report on procurement oversight in which due attention would be paid to such issues.

87. Mr. FARID (Saudi Arabia) supported the view of the Advisory Committee that procurement should be given top priority in the United Nations and its funds and programmes, and welcomed efforts to restructure the Procurement and Transportation Division and to improve training and accountability. A training programme should be set up as soon as possible for procurement staff at Headquarters and for field procurement officers. He welcomed the new measures concerning ex post facto cases, particularly the decision to hold officials personally accountable for improper authorizations, although his delegation was aware that such cases could not be totally eliminated in the area of peacekeeping operations. His delegation welcomed the forthcoming issuance of a new Procurement Manual, and supported efforts to develop a supplier roster having a wider geographical base.

88. It was also a matter of concern that poor inventory management could lead to excessive procurement of items at great cost; it was regrettable that administrative difficulties at the United Nations Office at Geneva had recently led to the award of a contract to a late bidder whose quotation had been opened after the public opening session. Also, the practice of using suppliers recommended by requisitioners must be discontinued. His delegation welcomed the Secretary-General's efforts to reform the United Nations procurement system in order to ensure that goods and services were obtained in an expeditious and cost-effective manner.

The meeting rose at 12.55 p.m.

UNITED NATIONS

General Assembly

FIFTY-FIRST SESSION
Official Records

FIFTH COMMITTEE
49th meeting
held on
Tuesday, 11 March 1997
at 10 a.m.
New York

SUMMARY RECORD OF THE 49th MEETING

Chairman: Mr. SENGWE (Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.10 a.m.

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Gratis personnel provided by Governments and other entities (continued)
(A/51/688 and Corr.1 and A/51/813)

1. The CHAIRMAN invited the Committee to resume its consideration of the question of gratis personnel provided by Governments and other entities, and drew attention to the report of the Secretary-General contained in document A/51/688 and Corr.1 and to the related report of the Advisory Committee on Administrative and Budgetary Questions, contained in document A/51/813.

2. Mr. HALBWACHS (Controller), introducing the report of the Secretary-General entitled "Gratis personnel provided by Governments and other entities" (A/51/688 and Corr.1), and recalling that the General Assembly, in its resolution 48/226 C of 29 July 1994, had requested the Secretary-General to submit a report on the various aspects related to the secondment to the Department of Peacekeeping Operations of military and civilian personnel by Member States, said that the report before the Committee went beyond that precise issue, covering the question of gratis personnel as a whole. Paragraph 3 of the report noted that the number of gratis personnel and the scope of the functions entrusted to them had grown significantly over the past few years, raising policy and management issues requiring attention at both the Secretariat and intergovernmental levels.

3. The report distinguished between two types of gratis personnel, as was explained in paragraph 15. Paragraphs 16 to 23 concerned gratis personnel with an established historical association with the United Nations, described as type I, including associate experts and technical cooperation experts, in respect of whom procedures had existed for some time and were functioning successfully. The report, therefore, did not dwell on type I.

4. Type II, consisting of personnel such as military officers provided to the United Nations Special Commission (UNSCOM), for the disarmament of Iraq, to the Department of Humanitarian Affairs, to international tribunals and to other Secretariat departments, was described in paragraphs 24 to 40. There were two reasons why the Organization had accepted that category of gratis personnel in recent years: firstly, to satisfy staffing requirements in rapidly developing situations such as the start-up of peacekeeping operations and international tribunals, and secondly, because available resources were not always commensurate with the programmes to be delivered. In the past two or three years, there had been a significant growth in the numbers of gratis personnel and in the scope of their activities. As a result, a need had arisen for an established policy to deal with their status.

5. Paragraphs 41 to 50 of the report dealt with the impact of gratis personnel on the Organization, including their impact on the activities and international character of the Secretariat, and their impact on human resource policies.

6. Paragraphs 51 to 66 dealt with the issue of the financial cost to the Organization of accepting gratis personnel, and paragraphs 67 to 75 contained conclusions and recommendations. Those included suggestions that the General Assembly might wish to reaffirm the principle that Member States collectively should provide the necessary staffing resources to implement United Nations programmes and activities, that it might wish to invite the Secretary-General to take that principle into account in the context of future budgetary submissions of the various programmes and activities, and that it might wish to note that the Secretary-General would accept gratis personnel only on an exceptional basis, to carry out, on a temporary basis, specialized functions in particular cases. Annex I contained suggested guidelines for the acceptance of gratis personnel, covering the following issues: agreements between the United Nations and donor Governments for the acceptance of gratis personnel, selection procedures, functions and status of gratis personnel, length of service, remuneration and related issues, leave entitlements, performance of services and standards of conduct, accountability, third party claims and programme support costs.

7. On the basis of the recommendations contained in the report and those of the Advisory Committee, as well as the discussions in the Committee, he hoped that clear and unequivocal guidelines and directions regarding the issue of gratis personnel would be provided.

8. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the report of the Advisory Committee (A/51/813) contained its observations and recommendations on the report of the Secretary-General regarding the issue of gratis personnel. Paragraphs 1 to 10 of the report of the Advisory Committee provided background information, recalling relevant resolutions of the General Assembly on the question of loaned personnel, and pointing out the two main types of gratis personnel, broadly classified by the Secretariat as type I and type II. The Advisory Committee had concluded that few problems had been encountered with respect to type I. As indicated in paragraph 4 of the report, that group had comprised personnel that

was involved in the implementation of extrabudgetary funded activities, including trust funds.

9. The report of the Secretary-General and testimony by his representatives had led the Advisory Committee to conclude that type II gratis personnel had been the source of many of the problems and concerns referred to in the report and in statements by Member States in various intergovernmental bodies. As indicated in paragraph 6, that type of personnel was mainly involved in mandated operations, the cost of which was assessed on Member States. At the time of preparing the report, the number of such personnel had totalled 443; details were found in paragraph 6. The number of type II gratis personnel had expanded considerably in recent years, particularly in conjunction with the growth of peacekeeping operations and the Organization's role in the promotion of international humanitarian law.

10. Particular attention should be paid to paragraphs 10 to 15. In paragraph 10, the Committee disagreed with the basic premise that, unless sufficient resources were granted to the Secretariat, there was no option but to have recourse to gratis personnel. The Committee was of the view that the programme of work agreed to by Member States must be funded in the manner determined by the General Assembly: if the funding was insufficient, the Secretariat must come back to the General Assembly with options on how to proceed. The Secretary-General should not try to solve budget or cash-flow difficulties by soliciting voluntary contributions in order to carry out mandated operations. Such a practice, in the long run, could distort the international character of the Organization and the equality of Member States, and could compromise regulations on fair and transparent recruitment procedures as well as the relevant financial rules governing competitive bidding for goods and services through the United Nations procurement process. It was incumbent on the Secretary-General to draw the attention of the General Assembly to specific difficulties and for Member States in turn, if they accepted that there were indeed difficulties, either to modify the activities or to provide the additional funding.

11. In paragraph 11, the Advisory Committee reiterated recommendations made in the past on the need to prepare budgets on a full-cost basis. In the case of the two international tribunals, for example, full costing would mean that all positions currently occupied by gratis personnel should be budgeted. The tribunals were not extrabudgetary operations.

12. Paragraph 12 of the report elaborated on the implications of preparing budgets on a full-cost basis, and pointed out that "each budget, whether regular, peacekeeping or support account, should show the complete staffing picture for each organizational unit under review", and that positions approved by the General Assembly "must be filled in the traditional manner in full compliance with all existing personnel policies and procedures, including the need to maintain geographical balance". If that procedure was followed, transparency and geographical balance would be enhanced and recourse to gratis personnel would be virtually eliminated except in very rare cases described in paragraphs 13 and 14.

13. Paragraph 13, referring to the situation prior to the preparation and/or approval of a budget, stated that the mechanism contemplated in the resolutions dealing with unforeseen and extraordinary expenses or resolution 49/233 should be invoked by the Secretariat. The Advisory Committee would be involved in authorizing, on behalf of the General Assembly, recourse to gratis personnel, and the related position would be regularized once the relevant budget had been approved.

14. Paragraph 14 dealt with the provision, after the approval of a budget, of expertise for very specialized functions for which expertise was not otherwise available in the Secretariat. The Advisory Committee was not opening a back door to continuing the current practice of soliciting gratis personnel. Personnel obtained under the procedure outlined in paragraph 14 must occupy positions already approved by the General Assembly through the relevant budgetary process.

15. Any "in kind" resources, for example the cost of services of gratis personnel and equipment given on a voluntary basis for budgeted activities, should be treated as income that reduced the assessments on Member States for the benefit of all Member States and not solely for the benefit of the donor. Contributions in cash would be regarded as advances against the assessments on the Member States concerned, rather than voluntary contributions, if the donors demanded that they should be used to offset their assessments.

16. Paragraphs 16 to 18 dealt with other related issues. On the question of charging support costs, the view of the Advisory Committee was clarified in paragraphs 16 and 17. The basic principle was that support costs were charged to meet some of the additional costs which would not otherwise have arisen had the Secretariat not undertaken the activity concerned. For example, a trust fund established by the Secretary-General was charged 13 per cent to offset some of the cost incurred under the regular budget to manage and implement the trust fund activities. However, when a voluntary contribution was made for mandated activities whose cost was assessed on Member States, and if the voluntary contribution was treated in accordance with the procedures already approved by the General Assembly, the donor had in effect reduced assessment on Member States and should not be charged 13 per cent of the contribution. The Advisory Committee had concluded, in paragraph 17, that gratis personnel to be made available in accordance with the procedure outlined in paragraphs 13 and 14 should not incur a support cost charge.

17. The Advisory Committee, while welcoming the guidelines proposed by the Secretary-General, did not consider them adequate, and, in paragraph 18, recommended that they should be redrafted and submitted to the General Assembly through the Advisory Committee. In paragraph 20, the Advisory Committee called for annual reporting on the use of gratis personnel, and in paragraph 21, it called for the expeditious phasing out of gratis personnel falling outside the new procedures to be approved by the General Assembly after action on the recommendations of the Advisory Committee.

18. Ms. DUSCHNER (Canada), speaking also on behalf of the delegations of Australia and New Zealand, said that over the years, gratis personnel had become a valuable resource for enabling the Secretary-General to fulfil his mandate. Since the 1960s and 1970s, Member States had been providing gratis personnel in the area of technical cooperation. More recently, with the rapid growth of mandated activities, the Secretary-General had been able to turn to Member States to provide gratis personnel to support activities in peacekeeping, disarmament, humanitarian assistance, international tribunals, economic and social research, internal oversight services, administration and management.

19. While her delegation believed that there continued to be a role for gratis personnel, it was important to ensure that they were used in the ways for which they were intended, to provide expertise on a temporary and exceptional basis for very specialized functions where such expertise was not available in the Secretariat. She agreed with the report of the Advisory Committee that there was a need to review the number of gratis personnel currently in the Organization, their justification, how they were employed, and their accountability.

20. She welcomed the distinction made between the two types of gratis personnel. While type I had a long history with the United Nations, type II was a newer phenomenon. Her delegation was concerned that recruiting type II gratis personnel was seen as a convenient mechanism and an alternative to normal staffing procedures. Any action on that issue should be complemented by methods to strengthen the human resources management policies and practices of the Organization.

21. Her delegation supported the efforts of the Advisory Committee to improve transparency in the process of engaging such personnel, but would caution against institutionalizing the practice, which could have the effect of undermining the integrity of what should be a truly multilateral and universally representative system. Her delegation questioned the restrictive limits the Advisory Committee sought to place on the Secretary-General's authority to employ gratis personnel. In cases of urgency, the Secretary-General should be able to react quickly and seek the use of gratis personnel if no other practical option was available. The Advisory Committee's proposal to require a prior submission with full justification appeared cumbersome and time-consuming. Her delegation believed that all gratis personnel should, in the first instance, be recruited for their expertise in very specialized functions lying outside the usual duties of Secretariat staff, where it was not appropriate or cost-effective to develop those skills within the Secretariat. She agreed that, as a general rule, gratis personnel should not be sought for positions kept vacant solely for financial reasons, nor should they be accepted in excess of the Organization's needs. It was also important to guard against the natural bureaucratic tendency to allow positions temporarily occupied by gratis personnel to become, over time, posts permanently filled by them. The use and, in some cases, misuse of gratis personnel in a variety of ways throughout the Organization had confused the question of how many staff, with what skills, were required to implement agreed mandates.

22. Her delegation welcomed the greater transparency likely to be achieved by full budgetary disclosure, which would help to provide Member States with a more accurate picture of the resource needs of the Organization. However, the Advisory Committee should provide further clarification as to how "full budgeting" would work in practice, given past experience that budgets were not always fully appropriated. For example, her delegation was concerned that where the requirement for a gratis staffing position ceased to exist before the end of the period for which it had been budgeted, there could be a tendency to keep the person on until the end of the period, just because that "resource" had been justified or approved. Regarding the recommendation in paragraph 10 of the report concerning shortfalls of funding for mandated activities, her delegation was open to considering all possible solutions when such cases arose.

23. She endorsed the recommendation of the Advisory Committee that the Secretary-General should report annually on the use of gratis personnel, and particularly on their nationality, duration of service, and functions. The General Assembly would then have the opportunity to ensure that gratis personnel were being employed in the capacities for which they were intended. Also, she could see no obvious reason why gratis personnel should not be included in the Performance Appraisal System, since that would further enhance their accountability.

24. Turning to the issue of limiting the number of gratis personnel in any particular unit, she was concerned that in practice the establishment of an upper limit could lead to institutionalizing gratis personnel, creating expectations that they were a permanent resource for United Nations staffing requirements. The recruitment of gratis personnel should continue to be exceptional and based on the merits of the case, not on artificial or imposed limits.

25. Her delegation strongly supported the recommendation of the Advisory Committee not to charge administrative support costs for type II gratis personnel. However, she also saw an urgent need for the Advisory Committee to reconsider the similar charges for type I personnel when it conducted its review of the proposed programme budget for 1998-1999.

26. Her delegation would await the Secretary-General's submission of appropriate guidelines, reflecting the outcome of the General Assembly's deliberations on the issue.

Reports of the Joint Inspection Unit (continued) (A/51/656 and Add.1, A/51/705 and Add.1)

27. Mr. BOUAYAD-AGHA (Inspector, Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) on comparison of methods of calculating equitable geographical distribution within the United Nations common system (A/51/705), said that the basic question to be answered was the importance of equitable geographical distribution within an international body compared with other criteria applied to employment and conditions of service. The Charter of the United Nations stipulated in Article 101, paragraph 3, that the paramount

consideration in the employment of staff should be securing the highest standards of efficiency, competence, and integrity, with due regard paid to the importance of recruiting the staff on as wide a geographical basis as possible. Many saw the principle of equitable geographical distribution as competing with the principle of merit and competence, but in his view they were not contradictory but complementary.

28. Equitable geographical distribution was a fundamental principle of the United Nations stemming from its universality, and was a major factor in the uniqueness of the international civil service. Indeed, that principle was considered of such importance that it had been addressed by the General Assembly as far back as its second session in 1947.

29. Free access by nationals of all countries to posts within international agencies in order to guarantee that all Member States of the Organization were duly represented was not difficult, but assuring equitable geographical distribution was more complex. Interviews with various officials with responsibility for recruitment had revealed the difficulty of putting the criterion of equitable geographical distribution into practice. Recruitment planning however, was helpful.

30. The series of recommendations proposed by JIU were intended to be phased in gradually. Each organization should also seek the methods that best met its individual needs. Recommendation 1 reaffirmed the basic principles of membership, level of contribution and population in determining the number of posts that should be allocated to a particular country or region. Recommendation 2 examined the methods already applied by certain organizations, FAO in particular: it had introduced a system of weighting which assigned a certain coefficient to each grade in each category of post. Recommendation 3 was intended to preserve the independence of secretariats when officials occupied specific posts financed from extrabudgetary resources. Recommendation 4 drew the attention of Member States to the dangers of abuse of the practice of assigning gratis personnel to posts which should be subject to geographical distribution. Recommendation 5 took into consideration the situation of smaller organizations in the common system where the application of the principle was more difficult.

31. The report suggested two potentially controversial solutions: the extension of the principle of equitable geographical distribution to the greatest possible number of posts and the introduction of new criteria which took into consideration the location where the budgetary resources would be spent.

32. In closing, he regretted that a number of statistical tables and graphs had been omitted from the final version of the report, as they could have helped to clarify the issue.

33. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) introduced the comments of the Secretary-General on the report of the Joint Inspection Unit on equitable geographical distribution (A/51/705/Add.1). Issues

relating to geographical distribution had been the subject of intense debate in the General Assembly since its earliest days, and Member States had offered guidance on the broad principles underlying the provisions of Article 101, paragraph 3, of the Charter as well as very detailed policy guidelines on methods of calculation and the efforts of the Secretariat to fulfil General Assembly mandates. The Secretary-General reported annually on the composition of the Secretariat, measures taken and the degree of success in achieving equitable geographical distribution. In addition to the programme of national competitive examinations, and despite further reductions in staff, the Office of Human Resources Management would improve its efforts to identify qualified candidates through recruitment missions, Government-assisted initiatives, the media, and computerized networks.

34. The ideas offered in the JIU report on how the principles should be applied and how geographical distribution should be measured should be the subject of general reflection and prepare the groundwork for further discussion on the delicate matter of managing geographical distribution. In view of the importance attached by Member States to such issues, the Secretariat would welcome further guidance from the General Assembly, in particular on the recommendations of the inspectors.

35. With regard to recommendation 1, he shared the view that system-wide coordination of effort must be emphasized, as well as the recommendation that high-level managerial posts should be distributed as equitably as possible among the geographical regions. He recalled the Secretary-General's view expressed in his report to the General Assembly at its forty-sixth session (A/C.5/46/2) that the main issue was not the methodology itself, but rather the relative weights given to the various factors within it. In considering the proposals regarding regional and subregional groupings, it should be borne in mind that previous attempts to apply a formula based on those criteria had not proven very successful. Where recommendation 2 was concerned, introducing a post-weighting system would involve far-reaching modifications in the system of quotas and desirable ranges and would be exceedingly complex. The Secretary-General fully supported recommendation 3 on the need to preserve the essential universality and objectivity of United Nations personnel, including those serving in positions financed through extrabudgetary resources.

36. Recommendation 4 referred to gratis personnel, which had been discussed in the Secretary-General's comprehensive report on the subject setting out his position on the functions and tasks that would normally be assigned to gratis personnel as well as the specific circumstances under which they might be appointed. Recommendation 5 was of specific interest to smaller organizations of the common system. While he agreed with the concerns expressed by the inspectors, Member States might wish to consider the practical aspects of putting into place a measurement based on the time a post was occupied by a staff member of a given nationality. Such factors as a large staff population holding permanent appointments, limited possibilities for mobility within smaller organizations and practical monitoring considerations appeared to warrant caution.

37. Ms. POWLES (New Zealand), speaking also on behalf of the delegations of Australia and Canada, expressed concern about aspects of the JIU report on recruitment, placement and promotion policies (A/51/656). The three delegations were particularly disturbed by its unsubstantiated assertions that discrimination based on gender had been institutionalized in the Secretariat. While in paragraph 96 of the report, the inspectors stated their belief that the special measures giving automatic preference to women in the placement and promotion system were redundant, that view seemed out of step with the wishes of the General Assembly on that issue and with the relevant sections of the Declaration and Platform for Action of the Fourth World Conference on Women.

38. Australia, Canada and New Zealand were strong advocates of gender parity in the Secretariat and fully endorsed the goal of 50/50 gender balance by the year 2000. Progress towards those goals had been slow, however. If the principle of equal opportunity and treatment as contained in the Charter was to become a reality for the women of the Secretariat, measures to break down discrimination were important. The steps to achieve gender balance outlined in Administrative Instruction ST/AI/412 were entirely in line with Articles 8 and 101 of the Charter and ensured that women applicants must be at least as well qualified as their male colleagues, not less.

39. The three delegations rejected the JIU contention that discrimination against men had been institutionalized in the Secretariat. Moreover, the figures did not bear out those accusations; rather, they showed that for the past two years men had received more promotions than women. The three delegations respected the independence of JIU and the right of individual inspectors to comment on issues as they saw fit, but believed that they should take due account of the decisions and directives of Member States, and especially of General Assembly resolutions.

40. Mr. FARID (Saudi Arabia) said that, in order to maximize the utilization of human resources at the United Nations, a number of areas must be considered.

41. The Joint Inspection Unit had pointed out in recommendation 2 of its report on recruitment, placement and promotion (A/51/656), that a career development system was lacking, but it also recognized that the goals of the career development system should be redefined more realistically. In the view of his delegation, time-bound objectives were vitally important in redefining such a system. Promotion should also be widely encouraged, since many staff members currently believed that no opportunities existed. His delegation shared the view of JIU that long-term or mission-replacement temporary staff assignments generally led to back-door recruitment or promotions, and an end must be put to that practice. Once the Integrated Management Information System (IMIS) was in full operation, vacancies could be anticipated and recruitment planning would negate the need for short-term hiring.

42. On the subject of staff morale, it was imperative for management to establish fair policies and regular dialogue with staff. Moreover, very little had been done to hold those responsible for the management and control of trust funds personally accountable. His delegation considered that a performance

report on human resources management issues which would focus on how individual departments were fulfilling policies and requirements designed to meet General Assembly mandates should be prepared as soon as possible. The Board of Auditors had also identified serious irregularities in the identification, recruitment, reimbursement and management of consultants, an issue which must also be addressed. Clearer and more specific job descriptions in recruitment and promotion would also enhance performance. One area where training was needed in order to improve performance was procurement, field administration and logistics.

43. In conclusion, his delegation welcomed the efforts of the Office of Human Resources Management to maximize the performance and accountability of staff members, and supported its efforts to revise the staff manual in order to reflect the changing needs of the Organization.

44. Mr. GODA (Japan) said that, like many delegations, Japan attached great importance to the issue of equitable geographical distribution. However, in its view, the recommendations of the Joint Inspection Unit lacked supporting arguments. His delegation shared the views expressed in paragraph 5 of the comments by the Secretary-General on the JIU report (A/51/705/Add.1). Therefore, it would have difficulty in supporting the recommendations of JIU for the introduction of many new elements into the formula for calculating geographical distribution. The issue was a sensitive one and further discussion was needed before any such action could be taken.

45. Mr. MOKTEFI (Algeria) said that the chief merit of the report of JIU would be to stimulate debate on the various ideas it contained. The Committee should give careful consideration to increasing the number of posts subject to the principle of equitable geographical distribution.

46. Mr. STÖCKL (Germany) said that he shared the concerns raised by the representative of New Zealand on the subject of gender balance within the Organization. The principle of equitable geographical representation concerned not only the methods used to calculate such representation but also the increase in the base figure. Posts in the support account for peacekeeping should also be subject to that principle. He regretted the Secretary-General's involvement in the debate on the weighting of the different factors used for calculating equitable geographical representation. It was for Member States and not the Secretary-General to make proposals on that sensitive subject.

47. His delegation did not the support the idea of calculating quotas and desirable ranges on a regional and subregional basis. Calculations should continue to be on a national basis and should reflect the actual contributions of Member States and not their assessment rates.

48. On the question of short-term appointments, it would be helpful if the Secretariat could make available to Member States during the current resumed session statistical data on short-term employment in the Secretariat, broken down by nationality, length of contract, gender balance and gaps between contracts. The Secretary-General should also report to the General Assembly on

recruitment of staff which had taken place after 1 November 1996, as he had been requested to do.

49. Ms. RODRÍGUEZ ABASCAL (Cuba) said that, while difficult to achieve, the Secretariat's goal of a 50/50 gender balance by the year 2000 was a noble one. The views of JIU were quite important and sought to alert delegations to some of the implications of the pursuit of that goal. In seeking to attain numerical goals, the Secretariat should not lose sight of the need to recruit only qualified personnel who could effectively advance the Organization's programme of work. Female applicants should therefore be given preference over males only if they were equally or better qualified. The principle of equitable geographical representation should also be considered when implementing the goal of a 50/50 gender balance. She would be grateful if the Secretariat could prepare a table showing the percentage of women on the staff of the Secretariat, broken down by nationality, and the percentage of those in high-level posts.

50. Mr. MIRMOHAMMAD (Islamic Republic of Iran) said that the report of JIU would kindle debate not only on the methods of calculating equitable geographic distribution within the United Nations common system but also on the number of posts to be included in the base figure. The Secretariat should inform the Committee of the number, percentage and category of posts that were subject to the principle of equitable geographical representation.

51. Ms. ARCHINI (Italy) said that her delegation was deeply concerned over the issue of gender equality in the Secretariat. While it did not share all the views expressed in the report of JIU, it believed that the report itself could be a useful basis for more in-depth discussion by the General Assembly. The Assembly's decisions, however, must take account of the principle of universality of the Organization. She would welcome clarification by the representative of JIU of recommendation 4, which urged the secretariats of international organizations to exercise caution in accepting nationals from any country provided free-of-charge.

52. Ms. SHENWICK (United States of America) said that the United States was firmly opposed to any expansion of the base figure for calculating ranges for purposes of equitable geographical distribution. That figure had been decided upon by the General Assembly and could not be changed by the Secretariat without the specific authority of the Assembly. Her delegation, moreover, would oppose any proposals by the Secretariat to expand the range, particularly with regard to posts funded through the support account for peacekeeping.

53. Mr. BOUAYAD-AGHA (Inspector, Joint Inspection Unit), responding to statements by members, said that the criticisms of the report of the Joint Inspection Unit (A/51/656) by the representative of New Zealand were based on assumptions and not facts. JIU was not opposed to the recruitment of women, but only wished to draw the attention of Member States to certain of the criteria being employed for the recruitment and promotion of women which were in violation of the relevant regulations. For example, the Secretariat had issued instructions that only women should be recruited in order to fulfil certain requirements and quotas. Such action was discriminatory. Responding to the

statement made by the representative of Japan, he said that Member States should determine which system of geographical representation was best suited to each organization.

54. Ms. SHENWICK (United States of America) said that it was her delegation's understanding that the Secretariat was currently drafting a code of conduct for all United Nations officials. She would welcome information on the status of that draft, whether the future code would be binding on all United Nations staff and when it was likely to be implemented.

55. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said that, led by the Office of Legal Affairs, the Secretariat was indeed working to develop a code of conduct. The Secretariat had provided the staff unions at the various United Nations duty stations with copies of the draft code, and expected to receive their comments by the end of March. The draft would then be discussed in the Staff-Management Coordination Committee at the end of April. The Secretary-General was expected to make reference to the code of conduct when he addressed the Committee. His recommendations would then be submitted to the General Assembly at its fifty-second session for action.

56. Mr. MIRMOHAMMAD (Islamic Republic of Iran) recalled his earlier request for information on the number, percentage and category of posts that were subject to the principle of equitable geographical representation.

57. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said that 2,700 posts or 20 per cent of the total were subject to the principle of equitable geographical representation. Additional information on the matter was contained in the report of JIU.

AGENDA ITEM 135: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN LIBERIA (continued) (A/51/756 and Add.1 and A/51/423/Add.1)

58. Mr. HALBWACHS (Controller), introducing the report of the Secretary-General on the financing of the United Nations Observer Mission in Liberia (A/51/756 and Add.1), said that Security Council resolution 1083 (1996) of 27 November 1996 had extended the Mission's mandate until 31 March 1997. The resources provided by the General Assembly for the period from 1 July 1995 to 31 March 1996 had amounted to $30,470,500 gross. However, by its decisions 50/482 A of 7 June 1996 and 50/482 B of 17 September 1996, the Assembly had decided to extend the utilization of those resources to 30 September and 31 October 1996, respectively. The related expenditure had amounted to $17,004,100 gross, resulting in an unencumbered balance of $13,466,400 gross, which was the result of the postponement of the scheduled implementation of the disarmament and demobilization programme and the non-deployment of additional military personnel together with the repatriation of non-essential military and civilian personnel and the cancellation of air operations in April 1996, following the outbreak of fighting in Monrovia on 6 April 1996.

59. The cost of maintaining the Mission for the period from 1 July 1996 to 30 June 1997 had been originally estimated at $27,615,100 gross. As a result of

the deterioration of the peace process and the outbreak of hostilities in Monrovia in April 1996, however, a revised budget amounting to $14,512,800 gross had been prepared to reflect the reduced activities and staffing level of the Mission. Following the beginning of the disarmament process, the Advisory Committee on Administrative and Budgetary Questions had on 20 December 1996 authorized the Secretary-General to enter into commitments in an amount not exceeding $10 million gross for the period from 1 December 1996 to 31 January 1997 in order to meet the Mission's immediate and essential start-up requirements for the implementation of the disarmament and demobilization process. At the operational level, it was proposed to increase the Mission's strength from 34 to a maximum of 92 military observers. Replacement of the equipment looted during the outbreak of hostilities in Monrovia during April 1996 was also required in order to enable the Mission to carry out its mandate effectively.

60. The actions to be taken by the General Assembly were the appropriation of the amount of $12,169,600 gross which had already been authorized and assessed for the period ending 31 March 1996; the assessment on Member States of the amount of $5,840,000 gross which had already been appropriated under the terms of General Assembly resolution 51/3 for the period from 1 July to 30 November 1996; and a decision to credit the remaining unencumbered balance of $7,626,400 gross for the period from 1 July 1995 to 30 June 1996 to Member States against their assessment for the period beyond 30 November 1996.

61. The General Assembly was further asked to appropriate an additional amount of $22,925,700 gross for the period from 1 July 1996 to 30 June 1997; to assess an additional amount of $16,064,700 gross for the operation of the Mission for the current mandate period from 1 December 1996 to 31 March 1997; and to assess for the period from 1 April to 30 June 1997 the amount of $2,287,000 gross per month, in addition to the amount of $1,168,000 gross already authorized under Assembly resolution 51/3, subject to the extension of the Mission's mandate by the Security Council.

62. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the financing of the United Nations Observer Mission in Liberia (A/51/423/Add.1), said that paragraphs 7 to 9 contained the performance report for the period from 1 July 1995 to 30 June 1996. Paragraphs 10 to 21 dealt with the updated cost estimates for the period from 1 July 1996 to 30 June 1997. The updated cost of maintaining the Observer Mission for that period amounted to $36,941,700 gross, an increase of $22,925,700 gross over the amount of $14,016,000 gross which had been approved by the General Assembly in its resolution 51/3.

63. Subject to the comments contained in its report, the Advisory Committee recommended the appropriation of an additional amount of $17,899,000 gross for the operations of the Observer Mission for the period from 1 July 1996 to 30 June 1997; the assessment of an additional amount of $13,192,345 gross for the operation of the Mission for the current mandate period from 1 December 1996 to 31 March 1997, in addition to the amount of $4,672,000 gross already authorized for the same period under Assembly resolution 51/3 of

17 October 1996; and the assessment for the period from 1 April to 30 June 1997 of the amount of $1,568,885 gross per month, in addition to the amount of $1,168,000 gross already authorized under Assembly resolution 51/3, subject to the extension of the Mission's mandate by the Security Council.

64. Ms. OSODE (Liberia) expressed concern about the status of preparations for elections in Liberia. Despite the holding of a ministerial meeting of neighbouring countries on the situation in Liberia and the acknowledgement by the Secretary-General that there had been renewed momentum towards peace in that country, rumours abounded that the elections scheduled for May would be postponed. She wondered if it still made sense, in those circumstances, for the Organization to continue its preparations for the scheduled elections. She would welcome an explanation from the Secretariat on how it intended to proceed.

65. Mr. HALBWACHS (Controller) said that the elections were due to be held in May. A technical mission had returned from the field and had submitted a report, which would be used by the Secretary-General to prepare proposals for further action by the Security Council.

The meeting rose at 12.15 p.m.